

## 7. Handling Incoming Mail, Continued

### a. Descriptions of Incoming Mail (continued)

Mail Category	Description
Priority	<p>Claims that require priority processing are those received from individuals who are</p> <ul style="list-style-type: none"> <li>• terminally ill</li> <li>• veterans very seriously injured in service, not in receipt of benefits</li> <li>• under extreme financial hardship</li> <li>• former POWs</li> <li>• survivors of former POWs</li> <li>• homeless, or</li> <li>• under Tiger Team jurisdiction (age 70 and older or in a claim-pending status more than one year).</li> </ul> <p><i>Notes:</i></p> <ul style="list-style-type: none"> <li>• Regional office (RO) management may decide to include additional types of mail in this category.</li> <li>• The Department of Defense (DoD) or an experienced Triage Team member, such as a Rating Veterans Service Representative (RVSR), will determine whether the veteran who submitted the claim was very seriously injured in service.</li> </ul>
Unidentified	Items that do not identify the veteran or cannot be associated with a veteran.

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## UNITED STATES DEPARTMENT OF VETERANS AFFAIRS

### PUBLIC AND INTERGOVERNMENTAL AFFAIRS

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#### **Terminally Ill Vets To Receive Accelerated Death Benefits**

December 7, 1998

*Washington, D.C.* -- Changes in government life insurance programs signed into law by President Clinton on Veterans Day will allow terminally ill veterans to receive accelerated death benefits.

The Veterans Programs Enhancement Act establishes an option for the Department of Veterans Affairs (VA) to pay these benefits under the Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI) programs. This option allows terminally ill SGLI and VGLI policyholders to receive up to half of the face value of their coverage, up to a maximum of \$100,000 during their lifetimes.

"This option will greatly improve the quality of the final days of the servicemember's or veteran's life, providing them and their families much-needed finances for medical care and other essentials," said VA Under Secretary for Benefits Joseph Thompson.

Another provision of the legislation authorizes VA to issue dividends to some 1,400 holders of World War II era National Service Life Insurance (NSLI) "H" policies. Holders of more than two million NSLI policies other than "H" already receive dividends.

The "H" policy program was established in 1946 to restore the insurability of veterans who could not meet the requirements of the NSLI program because of injuries they sustained in service. Even though their actual mortality experience has proven better than what was anticipated, the "pay-as-you-go" funding nature of the "H" program has not permitted the payment of dividends. The new plan will allow for the payment of future dividends to "H" policyholders from a reserve established from appropriated funds. The plan also will allow VA to cap the premium rate for policyholders with term insurance, as is done in the parent NSLI "V" program.

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### **What Are Alliance Accounts?**

An Alliance Account is an interest bearing draft account with an account book similar to a checking account. An Alliance account is opened for SGLI and VGLI beneficiaries. Insurance proceeds are deposited in the beneficiary's name and the beneficiary can write drafts for any amount up to the full amount of the proceeds. This gives the beneficiary time to make important financial decisions, while their funds are secure and earn continuous interest.

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### **What is Beneficiary Financial Counseling Service?**

Beneficiary Financial Counseling Services (BFCS) is an extra benefit offered to beneficiaries of Servicemembers' Group Life Insurance and Veterans' Group Life Insurance policies. As a beneficiary, you can take advantage of free professional financial advice. Counseling services are provided by **FinancialPoint®**. For more information, please visit our Beneficiary Financial Counseling page. To take advantage of the free BFCS benefit, beneficiaries may contact **FinancialPoint®** toll free at (866) 476-5764 or by email at [BFCS@FinancialPoint.com](mailto:BFCS@FinancialPoint.com)

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### **Can A Beneficiary Assign VGLI Proceeds To Another Person?**

A beneficiary may not assign or transfer VGLI proceeds to another person. In addition, VGLI proceeds are not subject to claims of creditors of the insured or creditors of the beneficiary.

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### **Accelerated Benefits for Terminally Ill Policyholders**

#### **Can A Terminally Ill Policyholder Receive Accelerated Benefits?**

The SGLI and VGLI programs offer an accelerated benefits option to terminally ill policyholders. A policyholder is considered to be terminally ill if he or she has a written medical prognosis of 9 months or less to live. All terminally ill policyholders will be eligible to take up to 50% of their SGLI or VGLI coverage in a lump sum. Many commercial life insurance companies offer accelerated benefits in their policies. Accelerated benefits, paid prior to death, are, of course, not available for payment to survivors. A policyholder must submit [SGLV 8284, Servicemember/Veteran Accelerated Benefit Option Form](#).

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### **Taxability of Proceeds**